Global Markets

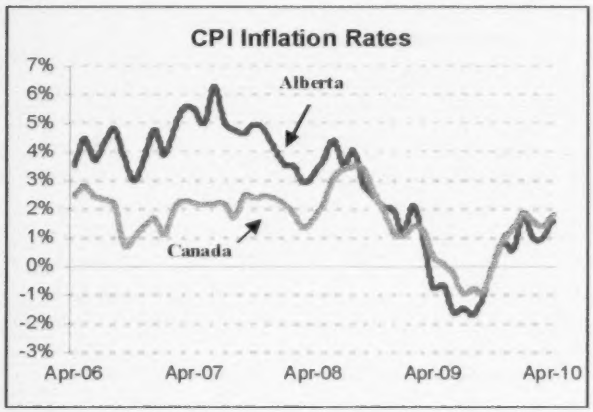
Dollar, commodity prices decline sharply as debt fears spread…

Concerns over European sovereign debt have washed across the world this week. Investor concerns have battered global equity markets, reduced prices for commodities and devalued the Euro as investors have anxiously reduced their exposure to European events. The decline in oil prices has been dramatic, with the price of WTI dropping from US$75.11/bbl at the close on May 7th to US$68.01/bbl yesterday. While the Canadian dollar has gained 1.2% against the Euro since the end of April, the drop of commodity prices combined with the flight of investors to US dollars and US dollar denominated assets, which are viewed as a safe haven during times of heightened uncertainty, has knocked more than two cents off the Canadian dollar-US dollar exchange rate in the last week.

Price Indices

Consumer Price Index…

Alberta's year-over-year CPI rate was 1.6% in April, a rise from the 1.0% rate recorded in the two previous months. The increase in the CPI was largely due to gasoline and natural gas prices. Excluding energy, Alberta's CPI was 1.3% in April, suggesting that inflationary pressures remain subdued. Nationally, Canadian prices were 1.8% higher than in April 2009.



Non-residential and Apartment construction price indices …

Construction costs continued to decline in Alberta during the first quarter of 2010. Compared to the first three months of 2009 the non-residential construction price index was 5.0% lower while the apartment construction cost index was down 4.7%.

⇩	**Canadian Dollar (US¢/C$)**	
	May 21, 2010	94.61
	May 14, 2010	96.67
	2010-11 YTD	98.35
⇩	**WTI Oil US$/bbl**	
	May 20, 2010	$ 68.01
	May 13, 2010	$ 74.40
	2010-11 YTD	$ 80.84
⇧	**Nymex Natural Gas C$/MMBtu** *	
	Near-month Contract	
	May 21, 2010	$ 4.41
	May 14, 2010	$ 4.34

*Estimate based on Nymex Futures Market Price

Retail Sales

Sales increase for seventh consecutive month…

Retail sales in Alberta increased for the seventh consecutive month in March, up 1.5% from February. Through the first quarter of the year, retail sales are 6.3% higher than last year. Nationally, retail sales were up 2.1% from the previous month to just under $37.0 billion in March.

Wholesale Trade

Value of wholesale sales tops $5.0 billion…

Wholesale trade in Alberta increase for the fifth consecutive month in March, increasing by 2.2% to just over $5.0 billion (seasonally adjusted). Nationally, wholesale sales increased by 1.4% with every province experiencing growth.

Resale Housing Market

Sales and prices see modest growth…

Sales of existing homes in Alberta increased by 0.4% in April and were 5.9% higher than a year ago. Prices also increased by 0.9% in April, pushing the average resale price of a house in Alberta to $361,221. This was 7.7% above the average resale price recorded in April 2009.

Employment Insurance

Number of beneficiaries continues to decline…

In March the number of Albertans receiving regular Employment Insurance (EI) benefits continued to decline, with 3,110 fewer people receiving benefits than the month previous. This reduced the total number of EI beneficiaries to 52,560, up 19.4% from a year ago, but the lowest number of people receiving EI benefits in 11 months.

Current Economic Indicators

Population	2008	2009	2010YTD*	Nov	Dec	Jan	Feb	Mar	Apr
Population[1] (000's) (level)	3,596	3,688	3,708	--	--	3,712	--	--	--
% change	2.4	2.6	2.1	--	--	1.9	--	--	--
Net Interprovincial Migraton[1] (level)	15,317	23,006	-5,315	--	--	-2,780	--	--	--
Net International Migration[1] (level)	20,039	20,074	12,696	--	--	4,720	--	--	--
Net Non-permanent Residents[1] (level)	18,536	19,058	1,014	--	--	-1,425	--	--	--
Labour Market									
Employment (000's)	2,013	1,988	1,977	1,988	1,995	1,988	1,973	1,969	1,979
% change	2.8	-1.3	-1.0	-2.3	-1.0	-1.6	-1.0	-1.0	-0.4
Unemployment Rate (%)	3.6	6.6	7.1	7.1	6.6	6.6	6.9	7.5	7.4
Participation Rate (%)	74.7	74.3	73.3	74.0	73.8	73.4	73.0	73.2	73.4
Average Weekly Earnings ($)	923.21	950.13	976.58	962.54	949.32	963.38	989.77	--	--
% change	6.0	2.9	2.1	0.9	0.2	1.6	2.5	--	--
Price Indices									
Consumer Price Index NEW!	3.1	-0.1	1.3	0.8	0.6	1.7	1.0	1.0	1.6
Excluding food and energy	2.1	1.4	1.1	1.0	0.7	1.1	1.3	0.8	1.4
Non-Res. Const. Cost Index[2] (quarter NEW!	13.2	-9.8	-5.0	--	-11.2	--	--	-5.0	--
Farm Product Price Index	11.5	-11.3*	--	--	--	--	--	--	--
Crops	26.7	-22.9*	--	--	--	--	--	--	--
Livestock	2.1	-0.8*	--	--	--	--	--	--	--
Household Sector									
Housing Starts (SAAR, 000's)	29.2	20.0	30.6	30.1	27.6	24.2	28.3	34.1	35.7
% change	-39.6	-31.6	130.3	46.1	54.2	55.1	139.8	166.4	176.7
New Housing Price Index	0.7	-9.0	-1.7	-7.1	-6.3	-3.6	-1.4	-0.2	--
Edmonton	1.0	-11.2	-4.1	-9.8	-9.4	-6.5	-3.3	-2.4	--
Calgary	0.6	-6.7	0.6	-4.2	-3.1	-0.6	0.4	2.0	--
MLS Average Resale Prices ($ 000's) NEW!	351.4	340.5	352.9	356.4	355.5	344.3	348.2	357.9	361.2
% change	-1.5	-3.1	7.4	3.4	7.5	6.4	5.1	10.3	7.7
Edmonton	330.8	319.1	332.3	335.6	333.4	322.7	327.6	341.4	337.3
% change	-2.0	-3.5	5.3	0.0	2.6	-0.7	2.6	11.0	8.7
Calgary	401.1	384.3	394.9	405.6	400.3	386.4	395.1	398.2	400.1
% change	-2.9	-4.2	6.5	4.4	8.8	5.5	5.2	9.0	6.4
Retail Sales[3] NEW!	0.2	-8.3	6.3	-6.4	1.9	1.0	6.6	11.2	--
New Motor Vehicle Sales	-7.3	-21.7	11.1	-21.5	2.7	-4.8	24.0	15.4	--
Consumer Bankruptcies	6,066	9,986	1321	686	634	684	637	--	--
% change	27.2	64.6	-5.8	15.3	4.6	-1.7	-9.8	--	--
Business Sector									
Rigs Drilling	236	128	227	152	227	287	339	219	62
% change	-2.1	-45.6	39.7	-35.6	-3.8	9.3	42.3	103.5	51.9
Goods Exports (customs based)	34.6	-39.2*	--	--	--	--	--	--	--
Energy	42.5	-44.1*	--	--	--	--	--	--	--
Agriculture	32.0	-7.4*	--	--	--	--	--	--	--
Total Farm Cash Receipts (quarterly)	17.2	-6.7*	--	--	--	--	--	--	--
Manufacturing Shipments	7.0	-21.6	5.0	-12.3	-3.5	-0.3	3.9	11.2	--
Wholesale Trade[4] NEW!	9.5	-15.9	-2.7	-19.0	-13.7	-12.2	-2.1	5.8	--
Building Permits	-16.5	-14.2	46.4	8.3	57.0	32.1	69.1	41.5	--
Residential	-31.5	-11.8	129.2	50.6	57.1	156.4	172.1	91.2	--
Non-residential	3.7	-16.3	-6.5	-19.7	56.9	-25.9	4.3	2.2	--
Business Bankruptcies	447	405	57	32	32	27	30	--	--
% change	-0.4	-9.4	-31.3	-28.9	6.7	-30.8	-31.8	--	--

Government of Alberta ■
Finance and Enterprise

Alberta ■

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).

[2] Average of Calgary and Edmonton

[3] The Retail Sales series was revised on April 23, 2010 and is no longer comparable with numbers in previous Bulletins.

[4] The Wholesale Trade series was revised on April 21, 2010 and is no longer comparable with numbers in previous Bulletins.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Current Economic Indicators by Province